through the local employment exchanges. Recruitment from other sources is done only in the event of non-availability of suitable persons from the local employment exchanges.

Emploration of Diamonds

3617. SHRI GAYA SINGH: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the Madhya Pradesh State Government have decided to hand-over the diamond deposits in Behradih Block in Raipur district to a Mumbai based B. Vijaykumar Dimond Consortium for exploration and exploitation of diamonds;

(b) if so, whether prior permission from Central Government was taken before taking this decision by the State Government; and

(c) if not, the details and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (c) As per information furnished by the State Govt. of Madhya Pradesh, offer were invited by Madhya Pradesh State Mining Corporation on behalf of the Madhya Pradesh Govt. from Indian citizens and Companies registered in India for prospecting, mining and marketing of diamonds available in 11 Blocks, of the state viz Angora block, Majhgaon block, Paharikhera block, IB-Maini block, Sarangarh block, Pithora block, Behradih block, Kanker Keshkal block, Narainpur Lanjora block, Chhota Dongar block and Tokapal block, each block covering an area of around 4500 to 5000 Sq. Kms. The following four companies submitted their offers:—

1. M/s. National Mineral Development Corporation Ltd. Hyderabad [For (1) Pithora Block (2) Kanker-Keshkal Block (3) Chhota Dongar Block (4) Tokapal Block (5) Narainpur-Lanjora Block, & (6) Behradih Block].

2. M/s. Adamas India Pvt. Ltd., New Delhi (For Behradih Block only)

3. M/s. ACC-Rio Tinto Exploration Corp. Ltd. Bangalore (For Behradih Block only)

4. M/s. B. Vijaykumar Diamond Consortium, Mumbai, (For Behradih Block only)

The aforesaid four offers were evaluated by M/s. ICICI. Keeping in view the technical evaluation made by I.C.I.C.I., the Govt. of Madhya Pradesh has decided to accept the offer made by M/s. B. Vijaykumar Diamond Consortium for Behradih Block.

Further, the State Govt. of Madhya Pradesh has decided that the selected company shall form a Joint Sector Company in conjunction with Madhya Pradesh State Mining Corporation within a fixed time frame.

After the Joint Sector Company is registered, Govt. of Madhya Pradesh shall recommend the application for grant of prospecting licence for prior approval of the Central Govt. as per the provisions of Section 5(1) of the Mines and Minerals (Regulation and Development) Act, 1957.

Since the Central Govt. has not received any proposal from the Govt. of Madhya Pradesh as yet for grant of prospecting licence for diamonds to M/s. B. Vijaykumar Diamond Consortium, Mumbai, the question regarding permission does not arise.

Gold/Diamond Mines in Raipur District of Madhya Pradesh

3618. SHRI GOVINDRAM MIRI: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have found any Gold/Diamond mines in Devbhog/ Raipur district of Madhya Pradesh recently.

(b) if so, whether Government have received any report to explore the possibilities;

(c) whether there is a proposal under consideration with Government to involve any foreign or Indian private sector for mining purpose; and

(d) if so, on which and what conditions?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir. Five Kimberlite Kodies have been located 50 km north, north Mouth west of Deobhog. The pipe of Payalikhand and Bahradiah have been found to be diamond bearing.

(b) and (c) Mining Rights are granted by the concerned State Governments in accordance with the provisions of the Mines and Minerals (Regulation and Development) Act, 1957 and the rules made there under. As per information furnished by the State Government of Madhya Pradesh, offers were invited by Madhya Pradesh State Mining Corporation on behalf of the Madhya Pradesh Government from Indian citizens and Companies registered in India for prospecting, mining and marketing of diamonds available in 11 Blocks of the State *viz.* Angora block, Majhgaon block, Paharikhera block, Ib-Maini block, Sarangarh block, Pithora block, Behradih block, Kanker Keshkal block, Narainpur Lahjora block, Chhota Dongar block and Tokapal block, each block covering an area of around 4500 to 5000 sq. Kms.

Offers were invited by the State Government of Madhya Pradesh with a view to secure the economic interests of the State. The following four companies submitted their offers:—

1. M/s. National Mineral Development Corporation Ltd. Hyderabad (For (1) Pithora Block (2) Kanker-Keshkal Block (3) Chhota Dongar Block (4) Tokapal Block (5) Narainpur-Lanjora Block, & (6) Behradih Block).

2. M/s. Adamas India Pvt. Ltd., New Delhi (For Behradih Block only)

3. M/s. ACC-Rio Tinto Exploration Corp. Ltd. Bangalore (For Behradih Block only)

4. M/s. Vijaykumar Diamond Constorium, Mumbai, (For Behradih Block only).

The aforesaid four offers were evaluated by M/s. ICICI. Keeping in view the technical evaluation made by I.C.I.C.I., the Goverment of Madhya Pradesh has decided to accept the offer made by M/s. B. Vijaykumar Diamond Constorium for Behradih Block.

Further, the State Govt. of Madhya Pradesh has decided that the selected company shall form a Joint Sector Company in conjunction with Madhya Pradesh State Mining Corporation within a fixed time frame.

After the Joint Sector Company is registered, Govt. of Madhya Pradesh shall recommend application for grant of prospecting licence to Government of India.

(d) The major conditions on which the offers were invited are given in statement.

Statement

1. Only companies registered in India or the Indian citizen can present their offer.

2. Offers were invited for the 11 blocks reflected by Government and for each block separate offer will be presented, but the offerer either himself or with his collaborator etc. can present the offer for one block or more than one block.

(B) Eligibility for presenting the offer is as under:

1. The offerer should have 5 years experience of prospecting, survey and evolution of Diamonds and either he or his collaboration etc. should have the technical facility particularly the facility of detecting indicated minerals.

2. Offerer will have to give undertaking that the Air borne prospecting work will be done by the constituted JVC.

3. The offerer will form Joint Venture with Madhya Pradesh State Mineral Corporation and will carry out its functions and this Joint Venture, if needed, will get P.L. or Mineral concessions according to Mineral concessions according to rules.

4. The networth of the offerer should be Rs. 150 Crores and his average turn over for 3 years should be Rs. 300 crores.

5. It will be obligatory for the offerer to sign an agreement that he will give 11% unsubscribed contribution to State Mineral Corporation in the JV and shall always maintain its 11% of the share capital in the company.

6. Offerer will also agree to pay Rs. 20 per carat of diamond produced for local area development.

7. No offerer will be allotted more than two blocks.

8. The evaluation of the offer will be done according to pre-determined technical and commercial criteria. Offerer in his offer, will have to mention from commercial point of view the percentage of extra amount that he agrees to give to the State Government over and above the minimum fixed amount of 10% of the sale price of the diamonds. This amount will be in addition to the royalty payable on the mining of diamonds and the tax revenue to be accrued to the State and Central Government.

9. Offerer will be required to deposit an earnest money of Rs. 1 crore with the offer.

Setting up of Steel Plants in Private Sector

3619. SHRI CHIMANBHAI HARIBHAI SHUKLA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government of Gujarat and Orissa have submitted any proposal to Central Government for the issuance of letter of intent for setting up of steel plants in the private sector;

(b) if so, the details thereof;

(c) the names of private companies approved by Government;

(d) the financial assistance being made by these companies; and

(e) the average monthly production capacity from each plant?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) No, Sir.

(b) to (e) Do not arise inview of (a) above.

Performance of SAIL

3620. DR. B.B. DUTTA: Will the Minister of STEEL AND MINES be pleased to state:

(a) the financial performance of the Steel Authority of India Limited during 1997-98, plant-wise;

(b) whether the profitability of the SAIL has declined during the current year as compared to last year;

(c) if so, the reasons therefor; and

(d) the steps taken or proposed to be taken to improve the performance of the SAIL, plant-wise?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (c) The profit (befor tax) of Steel Authority of India Limited (SAIL) for the year 1997-98 was approx. Rs. 149 crores (subject to GAG Audit) against Rs. 588 crores in 1996-97. Profits were lower in 1997-98 because of slow down in demand for steel, greater competition from imports, and enhancement in supplies in domestic market. Further, the profits were adversely affected by increase in input prices primarily of coking coal, petroleum products, power, transportation and higher interest cost which could not be fully neutralised by better techno-economic parameters, cost reduction measures and increase in the prices of steel, etc. The plantwise profit & loss is as under:—